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Indonesia

Poultry and Products

Avian Influenza (AI) Outbreak

2004

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Report Highlights:

On January 25, 2004, the Government Of Indonesia/Ministry of Agriculture (GOI/MOA) announced an outbreak of Avian Influenza (AI) in Indonesia. The MOA reported that approximately 4.7 million poultry birds have died as a result since August 2003. The MOA for now has the lead on monitoring and eradicating the disease.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Jakarta [ID1]
[ID]

Situation

According to the Government of Indonesia, Ministry of Agriculture (GOI/MOA) press release dated January 25, 2004, approximately 4.7 million poultry died since end of August 2003, in Indonesia. Among effected areas are Southern Sumatra, Java, Bali and Kalimantan. In October 2003, GOI teams investigated the cause of the outbreak and concluded that the culprits were Newcastle's disease velogenic viscerotropic virus and another unknown virus. The GOI subsequently performed a test with anti-serum from Holland of the unknown virus and determined that the unknown disease was the Avian Influenza (AI) virus. To further verify the results of the initial test, the GOI plans to perform a highly pathogenic avian influenza (HPAI) test from anti-serum from the UK and Australia. According to the GOI, the results of this test are expected next week and will also be passed on to the Office of International Epizootics (OIE), and international organization based in Paris. However, the GOI has not recommended directives eradication of chickens in the affected poultry farms. In addition, the Ministry of Health (MOH) issued a press release describing the nature of the disease, claiming that so far there have not been any human infections. Furthermore, the MOH urged poultry handlers to take extra precautionary measures.

The OIE works in close collaboration with the World Health Organization (WHO). A joint WHO/OIE/FAO Delegation of scientists and risk managers will soon be conducting consultations and investigations in countries in Asia, starting with Vietnam. To date, the OIE has not put out any information on the AI outbreak in Indonesia.

Production

According to Statistical Book on Livestock 2003, the total of Indonesian poultry meat production (including broiler, native chickens, layers and ducks) in 2003 was estimated at 1.2 million MT, valued at \$1.5 billion. The poultry meat identified as being infected by AI, excluded broiler meat, was about 383,500 MT and valued at approximately \$465 million.

Most of the poultry production (90 percent) is still carried out through contract or partnership projects with the large integrated poultry industries. Poultry farmers depend on those industries for DOC supply, feed and other necessary inputs.

Prices

Due to the deaths of millions of chicken, there is a tendency that the price of poultry meat and eggs will increase due to lack of supply. According to Market Information Center, Ministry of Industry and Trade, after the government announcement, traditional market prices for eggs in Jakarta have already increased slightly from Rp. 7,100 to Rp. 7,460/kg (5%), (from January 19 to January 27, 2004). Meanwhile, the price for broilers meat increased from Rp 12,300 to Rp. 12,400/kg during that period.

Trade

To date, the GOI claims that the broiler meat sector is not affected. In 2002, Indonesian poultry exports to Japan (the largest export market for Indonesian poultry) totaled \$4.8 million. As of January 26, 2004, Japan, followed by Taiwan suspended imports of poultry from Indonesia.

Meanwhile, the GOI has imposed a temporary ban on poultry products from affected AI countries -- South Korea, Japan, Vietnam and Thailand.

Under normal circumstances the AI outbreak in Indonesia, would be an opportunity for U.S. poultry export. However, the GOI's ban on U.S. poultry part imports (implemented in September 2000) remains in effect.

Indonesia' Feed Millers Association and Indonesia's Poultry Farmer Association predict that the layer and broiler population will decrease due to farmer and consumer concern about the outbreak. It is not yet clear as to the impact this outbreak will have on Indonesia's poultry production, as the GOI is not requiring infected chickens to be eradicated (as the actions of other ASEAN countries affected with AI). Other consideration that the industries are facing also is the increasing of production cost due to the decreasing stocks of day old chicks (DOC) and increasing feed price and the farm maintenance (vaccine, sanitation, etc) costs. Post expects to have more detailed information from poultry producers shortly. Luckily, even though the GOI recently announced the AI outbreak, some integrated poultry industries and independent farmers already took preventive measures by using imported AI vaccines.

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